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Canada

AGRICULTURAL SUPPLIES BOARD

4th Report-



(Summary of Activities for year ended 31 March 1943)

1942/43

Together with Reviews of Activities of:-
Bacon Board
Dairy Products Board
Special Products Board
and
Establishment and Personnel
of
Agricultural Food Board

Dominion Department of Agriculture

Confederation Building

Ottawa

CAI
SB 1

- A 56

AGRICULTURAL SUPPLIES BOARD

Summary of Activities for the Year Ended March 31st, 1943

(In the following pages the Board presents its fourth "annual" summary of activities. These annual reviews will be found convenient substitutes for the more detailed Progress Reports issued from time to time throughout the year. These yearly summaries also review briefly the activities of the Bacon Board, the Dairy Products Board, and the Special Products Board).

TABLE OF CONTENTS

AGRICULTURAL SUPPLIES BOARD

	<u>Page</u>
Introduction	1
Organization	1
Agricultural Food Board	2
Agricultural Advisory Committee	2
Canada-United States Joint Agricultural Committee	2
Contacts with British Authorities, Etc.	3
Meetings, Conferences, Etc.	3
Co-operation with the Provinces	3
Conference on Sheep Expansion	3
Conference on Production of Creamery Butter	4
Conference on 1943 Production Programme	4
Feed Grains and Oil-Bearing Seeds	4
Soybeans	4
Rapeseed	4
Sunflower Seed	4
Oil-Bearing Crops	5
Home and Community Gardens, 1942 and 1943	5
Freight Assistance on Feeds	5
Fertilizer Subventions	5
Dominion-Provincial Seed Programme	5
Flax Fibre	6
Control of the Warble Fly	6
Information on Activities	6
Wartime Pamphlets	6
Supplies for the United Kingdom	6
Miscellaneous Products	6
Vegetable Dehydration	6
Safe-Guarding Supplies Needed in Production	8
Feeds Administration	8
Export of Coarse Grains	8
Millfeeds	8
Protein Feeds	9
Hay	9
Freight Assistance Policy	9
Feed Wheat Payment Policy	10
Alfalfa Meal Subsidy	11
Price Ceilings	11

	<u>Page</u>
Seeds Administration	11
Root and Vegetable Seeds, 1942	12
Root and Vegetable Seeds, 1943	12
Stock Seed	12
Alfalfa Seed	12
Red Clover and Alsike Clover Seed	12
Oil-Bearing Seeds	12
Seed for Great Britain	13
Fertilizers and Pesticides Administration	13
Fertilizers	13
Pesticides	14
Flax Administration	14
Inspection and Grading	14
Purchase and Sale	15
Storage	15
Prices	15
Assistance in Apple Marketing	16
Agreements	16
British Columbia	16
Ontario	16
Nova Scotia	16
Expenditures	17
British Columbia	17
Nova Scotia	17
Miscellaneous	18
Equipment and Containers (Priorities)	18
Farm Machinery	18
Rubber Extraction	18
Keeping the Public Informed	18
Reports of Allied Boards	19
Bacon Board	19
Dairy Products Board	20
Special Products Board	21
Poultry Products Section	21
Fruit and Vegetable Section	21
Flax Fibre Section	22
Field and Vegetable Seeds Section	22
Certified Seed Potato Section	22

AGRICULTURAL SUPPLIES BOARD

In the last Annual Report of the Board, it was stated that increased demand for certain Canadian farm products developed during 1941, and that early in June of that year, the Board indicated to Provincial Departments of Agriculture and the farm press, its belief that calls for increased production of various agricultural commodities were at length likely to be made. Developments since that time have shown this belief to be well founded. Larger shipments overseas, particularly of bacon, cheese and dried eggs, the requirements of our armed forces, and increased consumer demand in Canada along with the need for making up the shortages in our own supplies occasioned by the elimination of certain imports, all combined to change the picture rapidly. From a situation where surpluses began to threaten during the first two years of the war, shortages of certain farm products became evident and the necessity of restricting consumption arose in some instances.

By the fall of 1942, the need for greater production in a wide range of products became apparent, and it was found possible, for the first time since the out-break of the war, to study critically the whole agricultural situation with the view of establishing tentative objectives or production goals for 1943. This study of Canada's agricultural requirements for 1943 was undertaken in the fall of 1942 by a committee representative of the Department of Agriculture, the Department of Trade and Commerce, the Wartime Prices and Trade Board, and the Post-War Reconstruction Committee, and was ready for consideration early in December. On December 7th, 8th and 9th, 1942, a Dominion Conference was called in Ottawa to study the report of the Committee. It was attended by the Ministers or Deputy Ministers and members of the staffs of all Provincial Departments of Agriculture, the President, Secretary and representative members of the Canadian Federation of Agriculture and by the editors or staff writers of Canada's leading farm journals.

The Dominion Government was represented at the Conference by the Honourable James G. Gardiner, Minister of Agriculture, the Honourable J. A. MacKinnon, Minister of Trade and Commerce, officers of the Agricultural Supplies Board, the Wartime Prices and Trade Board and by members of the various committees that had prepared the reports presented for consideration. Special statements on farm labour by Mr. A. MacNamara, Director of National Selective Service, and on the farm machinery outlook by Mr. H. H. Bloom, Farm Machinery Administrator, were made to the Conference.

The Conference, the 9th which the Board has held with Provincial Ministers and officials marked the first since the beginning of the war when the Board was in a position to present to the delegates a comprehensive programme for Canadian agriculture six months ahead of seeding-time. The material presented by the Committee was studied in considerable detail at the Conference and both Dominion and Provincial agricultural objectives were established for the various individual farm enterprises to act as a "blue print" for agricultural production in 1943. The material and objectives were published early in the new year as a bulletin, "Objectives for Canadian Agriculture in 1943." The bulletin was given wide-spread distribution to act as a guide to agricultural workers in planning the farm programme for 1943.

Organization

During most of the year under review, the organization of the Board remained essentially as outlined in the previous Annual Report, that is, the Board itself with an Economic Adviser, a Technical Adviser on Equipment and Containers, a Technical Adviser on Fruit and Vegetable Processing, and Administrators responsible to the Board for supplies of seeds, feeds, fertilizers and pesticides, and flax fibre. As previously, the Administrators remained responsible to the Wartime Prices and Trade Board for price ceiling policies.

Although not directly connected with the Agricultural Supplies Board, a number of organizations were established late in the fiscal year whose duties interlocked closely with those of this Board.

Agricultural Food Board

First of these was the Agricultural Food Board, the establishment of which was announced by the Minister of Agriculture on March 4th, 1943. The Board membership is as follows: Chairman, Dr. G. S. H. Barton, Deputy Minister of Agriculture, member of the Food Requirements Committee (representative of all Government Departments interested in nutritional matters), and ex-officio member of related Boards; Members: A. M. Shaw, Director, Marketing Service, and Chairman of the Agricultural Supplies Board and of the Special Products Board and member of the Wartime Prices and Trade Board; R. S. Hamer, Director, Production Service, Vice-Chairman of the Agricultural Supplies Board, and member of the Special Products Board; Dr. J. F. Booth, Associate Director of Marketing Service, Agricultural Economics Division; J. F. Singleton, Chairman of the Dairy Products Board; L. W. Pearsall, Secretary-Manager of the Bacon Board, the last two to be ex-officio members for the products dealt with by their respective Boards. The membership of this new Board embraces representatives of the various boards that have already been established to deal with farm products during wartime.

Briefly, the duties and responsibilities of the Board are, in co-operation with the Agricultural Supplies Board, to develop and direct the policies of the Department of Agriculture for the wartime production of food; to co-ordinate the activities of all commodity boards established under the Department of Agriculture; to direct the diversion of food products produced in Canada to fill export contracts, to meet the requirements of the armed forces in Canada, and to supply deficiency areas in Canada; and to provide a medium for co-operation between the Department of Agriculture and the Wartime Prices and Trade Board in all matters pertaining to agricultural production price adjustments and subsidies.

Agricultural Advisory Committee

On 26th February, 1943, the Minister of Agriculture announced the establishment of an Agricultural Advisory Committee for the purpose of maintaining continuous closer relationships between the Dominion Department of Agriculture and representatives of those immediately identified with agricultural production throughout Canada. The membership of the committee consists of one member from each of the nine provinces and three members of the Canadian Federation of Agriculture. The President of the Canadian Federation of Agriculture acts as Chairman.

Canada-United States Joint Agricultural Committee

Announcement was made on March 16th, 1943, simultaneously in Ottawa and in Washington, of the establishment of a Joint Agricultural Committee of Canada and the United States of America, to keep agricultural and food production and distribution in Canada and the United States under review in order to further wartime agricultural and food programmes that are of concern to both countries. The Committee is made up of two sections; a Canadian Section and a United States Section.

The personnel of the Canadian Section of this Committee is: Chairman, Dr. G. S. H. Barton, Deputy Minister of Agriculture; Members: A. M. Shaw, Director, Marketing Service, Department of Agriculture; R. S. Hamer, Director, Production Service, Department of Agriculture; K. W. Taylor, Foods Administrator, Wartime Prices and Trade Board.

Contacts with British Authorities, Etc.,

Early in 1942 the British Food Mission established an office in Ottawa which enabled the Board to keep in close touch with representatives of the British Government. The Board also maintained close contact with the British Ministries of Food and Supply through the High Commissioner's office in London.

The increasing requirements in the domestic market and the interrelation of agricultural supplies with the Government price fixing policy necessitated close collaboration with the Food Administration of the Wartime Prices and Trade Board.

Mectings and Conferences, Etc.

During the year the Board held 62 regular meetings. Numerous conferences were also held between the Board and various groups interested in supply or other problems relating to Canada's war programme.

CO-OPERATION WITH THE PROVINCES

Conference on Sheep Expansion

A Dominion-Provincial conference was convened by the Board at Ottawa on April 15th and 16th, 1942, to discuss the Canadian sheep situation with particular reference to potential wool supplies. In attendance at the conference were representatives of all provincial departments of agriculture, of the animal husbandry departments of several agricultural colleges, of the Canadian Federation of Agriculture, and of the Canadian Wool Board Limited. The Deputy Wool Administrator explained the desirability of considerably increasing domestic production of wool by 1943 in view of possible enemy interference with the transportation of the large volume of Australian and New Zealand wool now coming to Canada for army and civilian uses. A tentative objective of one million more sheep in Canada by June, 1943, was agreed upon, and provincial representatives undertook to organize programmes for increased sheep production in their various provinces.

In support of provincial programmes, the Board provided the following assistance:

1. During the period August 1st to December 31st, 1942, the Dominion Government undertook to pay freight charges from points of origin to points of distribution on ewes or ewe lambs purchased for breeding, on complete carload lots for long hauls (double-deck cars if originating in the Prairie Provinces and shipped east of Fort William or to British Columbia, single-deck or double-deck cars for shipment within British Columbia, within the Prairie Provinces, or within Eastern Canada), and l.c.l. charges on less than carload lots for local distribution not more than 200 miles from points of origin.
2. The Dominion Government also undertook to loan suitable rams for the first two seasons to any farmer establishing a new flock with a minimum of 15 females. Early in 1943 a joint Dominion-Provincial plan was negotiated whereby the Dominion Government would reimburse half of the amount paid by the provinces as a bonus to farmers on cleanly prepared fleece wool. The Dominion Government's share of the bonus was limited to a minimum of two cents a pound.

The Board also assisted by advertising and by the publication of a pamphlet entitled "Canada Urgently Needs More Wool".

Conference on Production of Creamery Butter

Following the announcement by the Wartime Prices and Trade Board that a subsidy of six cents per pound butterfat would be paid to cream producers as from July 6th, a Dominion-Provincial Conference was held in Ottawa on July 14th and 15th, 1942, to consider the butter situation generally, and to discuss methods for obtaining a greater production of creamery butter. The Conference was attended by Dominion and Provincial representatives, delegates from the Dairy Farmers of Canada, the National Dairy Council, Canadian Federation of Agriculture and representatives of the farm press.

Conference on Canada's Agricultural Programme for 1943

The third Dominion-Provincial Conference held in Ottawa during the year under review was concerned with production objectives for 1943 and is mentioned in some detail in the introduction to this report.

Feed Grains and Oil-Bearing Seeds

Campaigns for Increased Production of Flaxseed and Coarse Grains in the Prairie Provinces - Following the announcement of the grain marketing policy and the wheat-acreage reduction policy for the 1942-43 crop year, the Board conducted an intensive publicity campaign throughout the Prairie Provinces, during late March and early April, 1942, explaining the price floors that had been placed under barley and oats to safeguard the position of farmers who increased their production of such feed grains, pointing out that a fixed price had been established for flaxseed at \$2.25 basis No. 1 C.W. in store Fort William/Port Arthur and that flax had been included in the crops eligible for bonus under the wheat-acreage diversion plan, and stressing the need of more barley for feeding and of more flaxseed for oil. Newspaper advertisements and posters were used to outline these policies throughout the Prairie Provinces and 300,000 leaflets were mailed to farm homes throughout the district.

The Departments of Agriculture of the three Prairie Provinces organized the actual programmes for increased production of coarse grains and flaxseed within their respective provinces, in turn making use of posters and other forms of publicity and working through their extension services to encourage the expansion of the respective crops in the areas best suited.

Soybeans - On April 10th, 1942, provincial Departments of Agriculture were notified that a minimum price for soybeans of 1942 production had been set at \$1.95, basis No. 2 Yellow Soybeans delivered Toronto, and that the Canadian Wheat Board would be responsible for administering the Order setting the above price. It was pointed out that the Toronto price would also govern prices of soybeans delivered in Vancouver, but that price details were the responsibility of the Wheat Board.

Rapeseed - In response to a request from the Oils and Fats Administrator for the production in Canada in 1943 of rapeseed to provide an oil urgently required for lubricating purposes, particularly for naval vessels, the Board purchased in the United States all available supplies of rapeseed of the oil-bearing-type (Large Black Argentine). The seed was sold to growers at 15 cents per pound, the laid-down cost to the Board, for production during 1943 in the most suitable areas.

Sunflower Seed - During the 1942 season, considerable quantities of sunflower seed of the Mennonite variety were grown for the Board under contract with various farmers in Western Canada. The Board authorized the sale of this for seeding the 1943 crop at 8 cents per pound f.o.b. shipping point, cleaned and bagged. For the benefit of those engaging for the first time in the production of sunflower seed for oil purposes, the Board published a special pamphlet on "Sunflower Production for Grain" in its Wartime Production Series.

Oil-Bearing Crops

In the fall of 1942, discussions were held with the Oils and Fats Administrator with regard to the production and prices in 1943 for flax, soybeans, sunflower seed and rapeseed. The prices for the 1943 crop were announced at; Flaxseed \$2.25 per bushel for No. 1 C.W. basis in store Fort William/Port Arthur; Soybeans, \$1.95 per bushel basis No. 2 Yellow, delivered Toronto, Winnipeg, or Vancouver, five cents per pound for sunflower seed and six cents per pound for rapeseed delivered f.o.b. shipping points named by the Canadian Wheat Board in accordance with instructions as issued by the Board.

Home and Community Gardens, 1942 and 1943

Early in 1942 suggestions were made by various organizations that the Dominion sponsor in 1942 a campaign for war gardens and for maximum home canning of fruits and vegetables. A committee of officials of the Department of Agriculture and representatives of the Foods Administration of the Wartime Prices and Trade Board made a study of the vegetable situation generally, and for various reasons reported against appealing to the public for any abnormal development of home vegetable growing. Based on the report of this committee, the Board published a leaflet giving, in question and answer form, advice on home gardening and home canning during 1942.

Early in 1943, it was realized that the situation had changed considerably and that the growing of vegetables at home would supplement considerably supplies of vegetables and would reduce the transportation of vegetables from one part of the country to another. A similar committee studied the situation and recommended the sponsorship by the Board of a Wartime Gardening campaign for 1943. This recommendation was passed on to the Provincial Departments of Agriculture in February, 1943, with the suggestion that local organizations, such as municipal councils, horticultural societies, women's institutes and service clubs, be encouraged to develop wartime garden and community garden programmes. The Board prepared a Special Pamphlet on vegetable gardens which was distributed in large quantities, and undertook newspaper advertising and radio and press publicity to encourage wartime gardening.

Freight Assistance on Feeds

On June 6th, Departments of Agriculture of British Columbia and of the five Eastern Provinces were notified that the Government had decided to continue indefinitely, on the present basis, the policy of freight payment on the movement of certain live stock feeds from Fort William east and from Calgary/Edmonton west.

The feed situation is reviewed in the section of the Feeds Administration.

Fertilizer Subventions

Under Order-in-Council P.C. 5482, June 29th, 1942, fertilizer subventions, first authorized in February, 1942, were extended in a modified form to December 31st, 1943. The extension of the policy is to assist in the production of increased requirements of meat, dairy and poultry products by providing subventions for fertilizers applied to certain field crops. The fertilizer situation is reviewed in more detail in the section of the Fertilizers and Pesticides Administration.

Dominion-Provincial Seed Programme

A programme for the production of certain field root and vegetable garden seed, ordinarily imported largely from Europe, was again undertaken jointly by the Dominion Government and certain Provincial

Governments. The activities of the Seeds Administration are reviewed elsewhere in this report.

Flax Fibre

As in previous war years all flax fibre, with the exception of the comparatively small amount needed for the Canadian domestic trade, was shipped to Great Britain or the United States of America. The report of the Flax Fibre Administration appears later in this report.

Control of the Warble Fly

During the year a campaign was undertaken directed toward the greater control of the warble fly. This was done in co-operation with the provincial authorities and was supported by newspaper advertising, posters, the publication of a Special Pamphlet in the Wartime Production Series, and by press and radio releases.

Information on Activities

Throughout the year, progress reports were issued from time to time on the activities of the Board. These were provided to Provincial Departments of Agriculture in sufficient numbers to supply their principal officers and field workers, and were also sent to agricultural colleges and the farm press. Copies of special statements by the Board and other documents relating to the work of the Board were supplied to Provincial Departments of Agriculture.

Wartime Pamphlets

During the year under review the Board issued 19 Special Pamphlets in the Wartime Production Series, thus bringing to 80 the number available in the Series. A poster on the control of the warble fly was also distributed. Reprints were also made of the pamphlets issued previously, stocks of which became exhausted during the year.

SUPPLIES FOR THE UNITED KINGDOM

This Board has the general responsibility of assuring supplies of Canadian farm products to meet commitments made to the United Kingdom although the actual purchasing and forwarding of these supplies are the responsibility of the Bacon Board, the Dairy Products Board and the Special Products Board. Reviews of the activities of these three Boards are included in this Report.

Vegetable Dehydration

During the year under review considerable quantities of dehydrated vegetables were prepared for shipment to Great Britain, and for the use of the Canadian armed forces. To assure that these products were of high quality and up to specifications arranged with the British authorities, the Board again assumed supervision of dehydrating in the various plants processing vegetables on behalf of the Board. Research on factory technique was continued in the Department of Agriculture laboratories and the output of each processing plant was inspected to see that the product was up to specification. The more-or-less experimental work of dehydrating on a commercial scale, which was undertaken by the Board in 1941 when five Canadian plants already engaged in dehydrating were equipped with certain additional processing machinery, was fully justified. Not only has a product of generally high quality been produced but a ration has been made available which has proved most acceptable to the armed forces of Great Britain and Canada.

In the late summer of 1942 officials of the British Ministry of Food intimated that they would require about 2,250 tons of dehydrated vegetables from the 1942 crop, 2,000 tons of which were to be dehydrated potatoes. This was the first order received for dehydrated vegetables to be shipped outside of Canada and the Board realized that besides the five plants which had manufactured these products during the winter and spring of 1941-42 additional plants would be necessary to fill the British order and at the same time process the estimated requirements of the Canadian armed forces which amounted to about 300 tons.

It appeared that the logical place to obtain dehydrated potatoes would be from New Brunswick and Prince Edward Island which are normally potato producing provinces. Applications had been received from both these provinces indicating a readiness to operate dehydration plants. Accordingly, the Board agreed to assist in obtaining permits for construction and priorities for machinery, and also to loan certain special dehydration equipment for two plants in New Brunswick and one in Prince Edward Island.

Potato starch factories at Hartland and Grand Falls, New Brunswick, were selected as the most suitable locations for potato dehydration plants because of the probability that the residue from the preparation of potatoes for dehydration could be used for starch. Moreover, these two establishments were located in the heart of the potato producing districts of New Brunswick. Every effort was made by the Board to obtain the necessary equipment as quickly as possible but certain delays were encountered in obtaining priorities and in the manufacture of the equipment. The Hartland Plant, operated by the New Brunswick Potato Products Limited, started dehydrating during the last week in December, 1942, and the Grand Falls Plant, operated by Pirie Potato Products Limited, began operations in March, 1943.

After some weeks of negotiation with the provincial government in Prince Edward Island and their representatives, construction of a potato dehydration plant at Summerside was undertaken by Island Foods Incorporated, and the Board arranged to loan this firm certain processing equipment as had been done with other companies. Because of delays in construction and in obtaining equipment this establishment was not ready for operation on March 31, 1943, but it was expected that dehydration activities would begin early in April.

There is normally a considerable surplus of vegetables grown in the vicinity of Winnipeg and interest in vegetable dehydration in this district was expressed to the Board. Representatives of the Board consulted with officers of the Manitoba Department of Agriculture as to the most suitable location for a dehydration establishment. The Kildonan Canning Company undertook to enlarge their plant and to install dehydration equipment and the Company was ready to operate by February 1st. However, owing to the unusual domestic demand for fresh vegetables, the expected surplus in the Winnipeg area was not available when the plant was ready and no dehydrating was undertaken during 1942. It will be available for dehydration activities in the fall of 1943.

Two of the five plants which dehydrated vegetables during the winter of 1941-42 were located in Nova Scotia but owing to the large quantity of apples to be dried in that province from the 1942 crop only one of these plants, the Berwick Fruit Products Limited, could be used for dehydrating vegetables produced in 1942 and this establishment was unable to start operations on vegetables until January 15, 1943.

Up to March 31, 1943, the plants dehydrating vegetables for the Board during the fall and winter of 1942-43 were as follows:

Bulmans Limited	Vernon, B.C.
Gordon Beardmore & Company	Oakville, Ont.
Graham's Dried Foods	Belleville, Ont.
Berwick Fruit Products	Berwick, N.S.
Pirie Potato Products	Grand Falls, N.B.
New Brunseick Potato Products	Hartland, N.B.

The approximate number of tons (dry weight) of the various dehydrated vegetables produced for the Agricultural Supplies Board by the six plants mentioned above from the 1942 crop up to March 31, 1943, were as follows:

Potatoes	-	715 tons
Cabbage	-	50 tons
Carrots	-	73 tons
Onions	-	45 tons
Turnips	-	3 tons

If orders for dehydrated potatoes had been received at an earlier date than the fall of 1942, it would have been possible to equip the plants in the Maritime Provinces sooner and thus assure a longer processing period. It would probably have been possible to process all, or at least a much larger proportion of the dehydrated potatoes required.

SAFE-GUARDING SUPPLIES NEEDED IN PRODUCTION

FEEDS ADMINISTRATION

During 1942 the rather tight livestock feed situation of the preceding year was eased by the very large crop of coarse grains and feed wheat grown in Western Canada. While this ample supply of feed was welcome in view of the increasing demands for livestock products for Great Britain and the domestic market, it nevertheless brought with it many administrative problems. Chief among these were storage and transportation. Storage capacity was insufficient for so abundant a crop and the very severe winter of 1942 combined with the heavy wartime demand on railway facilities enhanced transportation difficulties in moving grains from the West to livestock feeders in Eastern Canada and British Columbia. The movement of feeding grains was seriously curtailed, a condition which was true also of other traffic. Every possible effort was made through co-operation with the Transport Controller, the Canadian Wheat Board and the railways to bring relief to this problem. Plans are being developed to guard so far as is possible against a similar situation developing in the winter of 1944.

Export of Coarse Grains - In view of the large coarse grain crop the decision was reached toward the end of 1942 to permit freely the export of oats, barley and rye grown in Western Canada against permits issued and exercised prior to March 31st, 1943, with the understanding that at the discretion of the Board further permits would be withheld if at any time prior to May 31st, 1943, it appeared that the free export of coarse grains would endanger the domestic situation. Arrangements were also made for the export of a limited quantity of malting barley on an allocation basis among the regular exporters of this grain.

Millfeeds - Despite the fact that export flour business kept Canadian mills running to capacity most of the year, and particularly during the winter of 1942, the demand for millfeeds exceeded the supply. Virtually the whole of the available millfeeds were retained in Canada for domestic use and less than 10 per cent was exported, principally to Newfoundland and the British West Indies which are entirely dependent

upon Canada for supplies. In relation to the level of livestock production required for 1943, there seems little immediate prospect of supplies of millfeed overtaking domestic demand.

Protein Feeds - The demand for both animal and vegetable protein feeds greatly exceeded the supply throughout the year. This was not due to any decrease in supplies, but to the rapidity with which requirements expanded. For the past 18 months, exports of such feeds have been closely controlled and high protein feeds, both animal and vegetable, are now retained on the domestic market. Continuous efforts were made during the year through the Commodity Prices Stabilization Corporation to purchase supplies from abroad. Some purchases were actually made and transportation arranged, but negotiations failed through the Government of the country of export refusing to issue export permits. The possibility of obtaining proteins from every possible source was constantly studied throughout the year.

Early in 1943 arrangements were made to pay a subsidy to processors of alfalfa meal as one method of supplementing the short protein situation. Advancing labour and other costs made it impossible for most processors to carry on operations and sell the product below the established price ceilings.

Hay - Hay, excluding alfalfa of the 1941 crop which had been retained in Canada until after the 1942 crop was harvested, was released for export against permits.

The following is an analysis of the three subsidy programmes administered through the office of the Feeds Administrator:

Freight Assistance Policy

Under date of June 5th, 1942, Order-in-Council P.C. 4781 was passed extending this policy indefinitely for both Eastern Canada and British Columbia. The policy provides for the payment of freight on Western grown grains, and millfeeds made from Western wheat moving from Fort William or Port Arthur to points in Eastern Canada, and from either Calgary or Edmonton, whichever is the lesser, to British Columbia.

Up to the end of the fiscal year 1942, the following table shows the amounts by Provinces paid in Freight Assistance against claims received since the inception of the Policy in October 1941 to 31st March 1943:

<u>PROVINCE</u>	<u>FREIGHT ASSISTANCE</u>
Ontario	\$ 4,674,641.17
Quebec	4,978,405.06
New Brunswick	912,902.25
Nova Scotia	1,285,002.80
Prince Edward Island	274,700.38
British Columbia	1,218,264.84
	<hr/>
	\$ 13,343,916.50

The total for the fiscal year ending 31st March, 1943, was \$8,906,158.35

The table below shows the total amount of each kind of grain and feed, by provinces, which was reported as the basis upon which claims were paid from the inception of the Policy to the end of the fiscal year 1942:

SUMMARY EASTERN CANADA FREIGHT ASSISTANCE CLAIMS PAID
FROM OCTOBER 1941 TO MARCH 31, 1943.

	<u>Wheat</u> (Cwt.)	<u>Oats</u> (Cwt.)	<u>Barley</u> (Cwt.)	<u>Rye</u> (Cwt.)	<u>Screenings</u> (Cwt.)	<u>Millfeeds</u> (Cwt.)
Ontario	6,857,942	3,977,009	3,974,132	469,187	951,983	4,545,930
Quebec	4,079,283	3,132,281	3,627,193	72,901	631,396	7,871,837
New Bruns.	458,529	462,798	374,145	15,142	34,081	1,089,713
Nova Scotia	548,655	523,804	708,412	17,342	24,241	1,201,082
P. E. I.	199,492	87,711	165,785	2,179	4,001	236,276
Totals - Cwt.	12,143,901	8,183,603	8,849,665	576,751	1,627,702	14,944,838
Bus.		Bus.	Bus.	Bus.	Tons	Tons
Totals	20,239,835	24,069,421	18,436,802	1,029,912	81,385	747,241

PERCENTAGE OF EACH COMMODITY ON WHICH FREIGHT ASSISTANCE CLAIMS HAVE BEEN PAID FROM OCT. 1941 TO MARCH 31, 1943

	<u>%</u>
Wheat	26.214
Oats	17.665
Barley	19.102
Rye	1.244
Screenings	3.515
Millfeeds	32.260

PERCENTAGE OF EACH KIND OF GRAIN AND FEED ON WHICH FREIGHT ASSISTANCE HAS BEEN PAID (Based on actual weight) BY PROVINCES

	<u>Wheat</u> <u>%</u>	<u>Oats</u> <u>%</u>	<u>Corn</u> <u>%</u>	<u>Barley</u> <u>%</u>	<u>Rye</u> <u>%</u>	<u>Screenings</u> <u>%</u>	<u>Millfeeds</u> <u>%</u>
Ontario	33.007	19.147		19.127	2.257	4.582	21.880
Quebec	21.052	16.150		18.700	.376	3.162	40.580
New Bruns.	18.855	19.014		15.369	.621	1.399	44.762
Nova Scotia	18.146	17.324		23.430	.574	.801	39.725
P. E. I.	28.686	12.612		23.839	.313	.575	33.975
B. Columbia	43.189	17.133	4.963	10.693	.001	1.763	22.258

SUMMARY BRITISH COLUMBIA FREIGHT ASSISTANCE CLAIMS
PAID FROM NOVEMBER 1941 TO MARCH 31st, 1943

	<u>Corn</u> (Cwt.)	<u>Wheat</u> (Cwt.)	<u>Oats</u> (Cwt.)	<u>Barley</u> (Cwt.)	<u>Rye</u> (Cwt.)	<u>Screenings</u> (Cwt.)	<u>Millfeeds</u> (Cwt.)
Total	187,546	1,632,375	647,565	404,106	260	66,577	841,222
Bus.		Bus.	Bus.	Bus.	Bus.	Tons	Tons
Totals	334,904	2,720,625	1,904,602	841,887	464	3,329	42,061

Feed Wheat Payment Policy

On September 11th, 1942, Order-in-Council P.C. 8175 became effective retroactive to August 1st, 1942. This Order provided for the payment of eight cents per bushel for wheat grown in Western Canada when used for feed for livestock. It was designed to offset the increased cost of wheat for feed made necessary by the advance in price paid to growers of wheat from August 1st, 1942.

Up to the end of March 1943, the following table shows the amount paid out against claims received since the inception of this policy.

<u>PROVINCE</u>	<u>FEED WHEAT PAYMENT</u>
Ontario	\$548,034.68
Quebec	205,597.09
New Brunswick	23,075.35
Nova Scotia	27,604.73
Prince Edward Island	10,038.08
Alberta	8,756.96
Saskatchewan	1,440.85
Manitoba	4,277.15
British Columbia	<u>79,491.11</u>
	\$708,315.98

Alfalfa Meal Subsidy

In order to encourage the processing of the greatest possible amount of alfalfa meal for feed, provision was made for a subsidy payment to processors of \$3.00 a ton under authority of Order-in-Council, 15 February 1943, P.C. 705.

Up to the end of the fiscal year a total of \$345.00 had been paid out.

Price Ceilings

As mentioned earlier in the report, the Administrators of the Board are responsible to the Wartime Prices and Trade Board for policies directly related to price ceilings. During the year a number of regulations were issued by the Administrator under the Wartime Prices and Trade Board. Among these were regulations respecting dehydrated alfalfa meal, clamshell production in British Columbia, peat moss used as poultry litter in British Columbia, imported crushed oyster shell for poultry, the packaging of feeding stuffs, feed grain, molasses for use in making silage, protein levels of commercial mixed feeds, and sales of wheat millfeeds.

SEEDS ADMINISTRATION

Measures taken since early in the war to ensure supplies of certain field root and garden vegetable seeds, formerly supplied chiefly from European countries now under enemy control, or from the United States, were continued. Under this arrangement the Government agrees to purchase from growers, who undertake to grow under contract certain specified kinds of seed, any seed which the growers cannot dispose of through commercial trade channels for use in Canada. The contracts with growers are arranged in co-operation with provincial seed production committees.

The purchase guarantee for the 1942 arrangement was a joint one whereby the Dominion and Provincial Governments shared equally the cost of any seed which might have to be purchased. The following seeds were grown: Annuals for 1942 seed production; cucumber, radish, tomato, garden beans; Biennials for 1943 production; beets, cabbage, cauliflower, onion, swede, mangels. In view of the extension of the programme for 1943 and because the need for assuring sufficient seed had become almost national in character, the Dominion Government assumed full responsibility for guaranteeing the purchase of any seed of the Annuals of 1943 and the Biennials of 1944. Under the 1943 programme a sufficient acreage will be contracted for each of the following to produce the estimated production shown.

Annuals for 1943 Seed Production: Bush and pole beans, 127,800 pounds; cucumber, 30,000 pounds; lettuce, 40,000 pounds; radish, 100,200 pounds; spinach, 75,000 pounds; tomatoes, 4,000 pounds.

Biennials for 1943-44 Seed Production: Beets, 126,000 pounds; cabbage, 5,000 pounds; carrot, 116,800 pounds; cauliflower, 2,300 pounds; onion 110,000 pounds; parsnip, 20,400 pounds; swede, 216,800 pounds; mangel, 300,000 pounds.

Stock Seed

In connection with these measures to assure supplies of field root and vegetable garden seeds, a shortage of reliable stock seed of certain of the kinds of seed became apparent during 1942. Accordingly, a programme for the production in Canada of elite stock seed of various kinds and varieties was undertaken under Order-in-Council P.C. 1/84, 6th January, 1943, in order to provide satisfactory stock seed for future seed programmes and for the seed industry generally. This undertaking is being conducted by the Horticultural Division of the Experimental Farms Service, Ottawa, whose personnel provide the necessary technical supervision. The seed is being grown throughout Canada at Experimental Farm Stations, provincial agricultural institutions and other establishments closely associated with the Department of Agriculture in work of this kind.

Alfalfa Seed

Close control was maintained over alfalfa seed of 1942 production in order, on the one hand to assure holding sufficient seed in Canada for 1943 requirements, particularly in Eastern Canada where seed was in short supply, and on the other hand, to allow producers in Western Canada to market the surplus seed to advantage in the United States of America. Arrangements were made early in November, 1942, under which dealers in Western Canada were permitted to export 50 per cent of their holdings of alfalfa seed, conditional upon reserving a similar quantity for sale in Canada. Unfortunately, early snow covered a considerable portion of the Western crop before it could be harvested and much of the seed from this crop will not be available for distribution until it can be threshed in 1943. To facilitate distribution of seed in Western Canada, dealers in the East were encouraged to purchase direct from Western seed dealers and when such arrangements could not be made, the Board purchased Western seed for this purpose. A total of 660,000 pounds of Western seed was moved East, including approximately 357,000 pounds which was purchased by the Board at not more than 33 cents a pound. On this latter quantity the Government paid storage charges, etc., and transportation costs to Eastern Canada in order that the seed could be distributed under the established ceiling price.

Red Clover and Alsike Clover Seed

Extremely low yields of red clover seed and alsike clover seed, resulted in Canada being definitely short of supplies to meet the requirements for 1943. The Board, therefore, under authority of Order-in-Council P.C. 6/1950, 13th March, 1943, arranged to purchase in the United States up to 1,000,000 pounds of these seeds. Unfortunately, the crop in the United States was quite short, particularly of alsike, and the United States felt obligated to make what surplus they had available to her other Allies in addition to Canada. The final outcome was the purchase in the United States of approximately 786,000 pounds of red clover seed and 167,850 pounds of alsike clover seed.

Oil-Bearing Seeds

Action taken to assure supplies of sunflower and rapeseed for 1943 planting is mentioned earlier in this report. Steps were also taken in the fall of 1942 to prevent the Royal variety of flaxseed, a

rust resistant variety, from being used for oil crushing purposes. As a result, it seems likely that all available supplies of this variety were held for seeding purposes. Close watch was also kept on the available supplies of Pagoda and Kabot variety of soybeans in order to see that these were retained for 1943 seeding and were not used for crushing purposes.

Seed for Great Britain

The United Kingdom requested Canada to produce quite large quantities of clover and alfalfa seed and certain field root and vegetable garden seeds. Plans were undertaken during the year for the production of these seeds and details of the actual quantities and kinds of seed produced are given in the Report of the Special Products Board which will be found at the end of this Report.

FERTILIZERS AND PESTICIDES ADMINISTRATION

Fertilizers

The supply of fertilizer was increased by about 20% for 1943 by obtaining extra allocations for import from the Combined Food Board, Washington, and by increasing production in Canada.

Zoning of fertilizer distribution was established in the five Eastern Provinces to conserve rail and other transportation and to reduce cost of selling and distribution. Resulting mainly from zoned distribution, the average reduction in cost of the various kinds of fertilizer to the farmers was about \$2.00 per ton, a saving in 1943 to farmers in the five Eastern Provinces of approximately \$1,000,000.

Fertilizer subsidies to farmers were continued in the five Eastern provinces and British Columbia under Order-in-Council P.C. 5462. A break-down of claims presented, amount paid and tonnage subsidized for the year ending January 1, 1943, is as follows:

	<u>Claims Paid</u>	<u>Amount Paid</u>	<u>Tonnage Subventioned</u>
Ontario	76,803	\$405,953.23	80,797
Quebec	56,219	390,534.48	81,100
New Brunswick	9,753	62,940.33	13,971
Nova Scotia	11,879	75,480.20	15,322
Prince Edward Island	3,783	24,266.46	4,870
British Columbia	1,620	11,140.08	1,774
	160,057	\$970,314.78	197,834

As the demand for fertilizers greatly exceeded supply, despite an increase of the latter, it was necessary to commence rationing according to crop essentiality. The use of fertilizers containing inorganic nitrogen on lawns, golf courses, parks, cemeteries, etc., was prohibited and fertilizer for the tobacco crop was cut to 80% of that used in the previous year. This rationing increased the supply proportionately for essential food crop production.

Manufacturers were required to obtain their fertilizer chemicals by allocation so that none could gain a trade advantage over the other. This was required also as the basis for zoned distribution to farmers.

Pesticides

There were less difficulties than with fertilizer in maintaining adequate supply of pesticide materials. Of the many chemicals used for this purpose, a shortage developed during the year in a few items only, principally in rotenone and pyrethrum, the botanical insecticides non-poisonous to humans. The use of rotenone was confined to warble grub control in cattle, and pyrethrum to specific insects affecting food crops. There were ample supplies of other insecticides and fungicides including such principal ones as lead and calcium arsenate, Paris green, copper sulphate, and lime and sulphur. As many of these chemicals are not made in Canada, supplies were arranged for importation from the United States and the United Kingdom through the Combined Raw Material Board, Washington.

FLAX ADMINISTRATION

During 1942 a further expansion of acreage occurred of some 2,500 acres and 3 more mills commenced operations. The expansion of the industry is indicated in the following table.

Crop Year	Acres	Mills	Tons of Flax & Tow	Value
1939	8,306	8	1,344	\$ 837,600.00
1940	20,275	16	2,519	1,150,151.95
1941	44,467	35	5,332	2,303,682.26
1942	47,070	38	8,731 x	3,202,680.00 x

x Estimated

During the year 16 mills operated in Ontario, and 22 in Quebec. The acreage by provinces was, Quebec 28,586 acres, Ontario 17,201 acres, Manitoba 1,019 acres, Alberta 157 acres, British Columbia 107 acres, making a total of 47,070 acres. The estimated tonnage and value of spinnable fibre to be produced from the 1942 crop during the processing year September 15th, 1942, to September 14th, 1943, is as follows:

Flax	2,312 Tons	Value	\$ 1,895,840 (Estimated)
Tow	6,419 "	"	1,310,840
Total	8,731 Tons	Value	\$ 3,206,680 (Estimated)

Inspection and Grading

All spinnable material is graded in accordance with the grade standards approved by regulations to Order-in-Council P.C. 8590, November 4th, 1941, and acceptable to the British Flax Control and the U.S.A. Department of Agriculture.

All grading is performed by regional inspectors at the processing mill at a charge of \$1.00 per ton. Shipments going to the British Ministry of Supply are re-inspected by an inspector appointed by the British Ministry and shipments to the United States are inspected at destination.

During the period for which this report covers, the amount of material graded was as follows:

Flax	3,222,893 pounds
Tow	7,478,304 "

Purchase and Sale

Effective August 1942 a change was made in the policy of marketing flax and flax tow. Formerly, sales to the United Kingdom were made through a purchasing agent, appointed by the British Ministry of Supply and sales to the United States were made direct from the Canadian processor to the United States spinning mills. In view of the fact that shipments to the United States were purchased at a higher price than to the United Kingdom, exports to the United States were controlled by Export Permit, and shipments to both markets were divided equally by grades. By this method all processors received their correct share of the more lucrative United States market prices.

However, by agreement with the United Kingdom and United States governments, all Canadian flax and flax tow of spinnable quality is now purchased by the Special Products Board and resold to the aforementioned governments on a 50-50 by grade basis at the same price. The following grades and prices are in effect until the end of the present processing year September 14th, 1943. Prices paid are in Canadian funds, f.o.b. rail shipping point of the processor:

Scutched Flax

Canada	Grade	1	.45 per pound
"	"	2	.43 "
"	"	3	.41 "
"	"	4	.37 "

Tow

Pluckings	"	"	P1	.24	"	"
Tossed Flax	"	"	A	.22	"	"
"	"	"	B	.20	"	"
"	"	"	C	.18	"	"
Turbine Tow	"	"	1	.16	"	"
"	"	"	2	.13	"	"
"	"	"	3	.11	"	"

Since the Special Products Board assumed responsibility for the purchase of flax and flax tow (August 20th, 1942) to the end of the fiscal year March 31st, 1943, purchases to the extent of \$1,490,839.24 have been made. All payments are made from credit accounts established in Canadian chartered banks, by the British Ministry of Supply and Commodity Credit Corporation, the latter representing the government of the United States. Such procedure is authorized by Order-in-Council P.C. 8477 of September 18th, 1942.

Storage

Shipment to the United Kingdom is contingent upon shipping space being available and from time to time throughout the year it became necessary to make provision for storage as few mills have large storage space and any backing-up of the product would necessitate the closing of many of the processing mills. In addition, if the flax is not moved quickly after being processed, difficulties arise for local mills to finance their operations.

Prices

At the close of the fiscal year negotiations were started for prices for the 1943 crop. It was hoped to get these announced before seeding in order to secure if possible, the increased acreage in line

with the request of the British Ministry of Supply for a production of 75,000 acres for 1943.

ASSISTANCE IN APPLE MARKETING

The conditions that called for Dominion Government aid in the disposal of surplus apples of 1939, 1940 and 1941 crop were repeated in connection with the 1942 crop. Quite early in the year it became apparent that the export of fresh apples to the British market would be impossible. In view of this, representatives of growers' associations and the trade met with the Board and Departmental officials from time to time, and plans were worked out for assistance by the Dominion Government in marketing apples grown in Nova Scotia and British Columbia.

Owing to crop conditions and the general market situation it was unnecessary to consider any assistance to the apple growers of Ontario.

The agreements for the marketing of the 1942 crop were briefly as follows,-

Agreements

British Columbia:- The Government agreed,

- (a) to assist in the marketing of a maximum quantity of 4,750,000 boxes of apples, less any quantity sold by the Board outside of Canada by paying to the Board the sum or amount by which the f.o.b. value of all sales by the Board in Canada for fresh consumption at prices authorized by the Minister totals less than an average of \$1.25 per box of wrapped pack, and \$1.15 per box of unwrapped pack for a total quantity of 4,500,000 boxes less any quantity sold by the Board outside of Canada, and the sum or amount by which the f.o.b. value of any additional such sales not exceeding 250,000 boxes totals less than an average of \$1.00 per box.
- (b) to purchase from the Board up to 2,240,000 pounds of Choice Quality evaporated apple, 22% moisture, resulphured, packed for export, at 11¢ per pound f.o.b. shipping point.

Ontario:- No agreement was entered into.

Nova Scotia:- The Government agreed,

- (a) to purchase from the Board evaporated apple, 22% moisture, resulphured, packed for export, priced f.o.b. shipping point as follows:

Up to 13,700,000 pounds (equivalent of 1,000,000 barrels) Choice Quality at 25 cents per pound; an additional 1,370,000 pounds or part thereof, which may include up to 10% of Standard Quality, balance Choice Quality, at 22½ cents per pound; an additional 1,370,000 pounds or part thereof, which may include up to 20% of Standard Quality, balance Choice Quality, at 20 cents per pound.

- (b) to pay to the Board the sum or amount of \$1.30 per barrel for any quantity by which the total of purchases of evaporated apple by the Minister from the Board and of sales of fresh apples by the Board may be less than 1,250,000 barrels (13.7 pounds of evaporated apple being the equivalent of one barrel of fresh apples); provided that the total sum payable by the Minister under this sub-clause shall be reduced by 50% of any amount by which the total f.o.b. value of sales by the Board of apples for fresh consumption may exceed an average of \$3.00 per barrel; and provided further that the total sum payable by the Minister under this sub-clause shall be reduced by \$1.30 for each tree for which compensation is paid under clause (d) hereof;
- (c) to pay a storage allowance calculated on the basis of case days of 1/8-cent per complete week per 50-lb. case of Choice Quality evaporated apple remaining on hand with the Board beyond 30 days after the completion of processing and packing for shipment;
- (d) the Government further agrees to assist with the Provincial Government in a programme for the removal of aged and undesirable trees by paying to the Board the sum or amount of \$2.00 per bearing tree of minimum trunk diameter eight inches, designated by the Board and certified by inspectors under the Fruit, Vegetables and Honey Act to have been removed or destroyed in commercial orchards between the dates of this Order and July 31, 1942, provided however that the amount payable under this clause shall not exceed \$200,000.00.

The expenditures during the fiscal year ended March 31st, 1943, were approximately as follows:

Expenditures

British Columbia:- Further expenditures under the 1941-1942 agreement \$203.69; no expenditures under the 1942-1943 agreement have been made yet. These are estimated to be approximately \$260,000.00.

Nova Scotia:- Further expenditures under the 1940-1941 agreement amounted to \$31,382.08; further expenditures under the 1941-1942 agreement amounted to \$130,305.78; expenditures under the 1942-1943 agreement amounted to \$2,180,657.38 plus \$156,050.00 for tree removal; further expenditures under the latter agreement will have to be made.

The following amounts have been received from the sale of apple products manufactured in Nova Scotia:

1939 crop	-	\$ 13,136.46
1940 "	-	149,403.73
1941 "	-	64,546.43
1942 "	-	143,765.33

Further receipts from the 1942 crop will be considerable.

The British Ministry of Food agreed to purchase from the Department of Agriculture through the Special Products Board up to 3,000 long tons of evaporated apples manufactured by the Department from the 1942 crop and most of this quantity has been shipped. The balance of the evaporated apples have been or are being sold in the Canadian, Newfoundland and West Indies markets.

MISCELLANEOUS

Equipment and Containers (Priorities)

The Board continued its activities, through its Technical Adviser on Equipment and Containers, in matters relating to priorities for material needed in agricultural products.

Farm Machinery

The Board met with the Farm Machinery Administrator in arranging the plan for rationing farm machinery throughout Canada. Under this plan farm machinery rationing offices are established in 14 centres to handle applications for machinery. The rationing officer at each point has as consultants an official appointed by the Board, who is conversant with farm machinery and a second consultant who is a farmer with a general knowledge of his own district and also so far as possible, of the entire area being served by the ration office to which he is attached as farm consultant.

In view of the rationing of farm machinery and the need for farmers to conserve existing farm equipment in good working order, the Board issued a series of pamphlets in the Wartime Production Series. These included the repair and maintenance of seeding machinery, tractors, combine-harvesters, one way discs, cultivators and the lubrication of engines used on the farm.

Rubber Extraction

In an effort to develop a source of natural rubber for blending with the synthetic product the Board undertook the production of some 35 acres of Kok-saghyz (Russian dandelion) and approximately 10 acres of Canadian milkweed. These crops are being grown by the Experimental Farms Service and after harvesting the work of extracting the rubber will be undertaken by the National Research Council.

Keeping the Public Informed

In addition to the Progress Reports of the Board, special releases were made to the press from time to time respecting new developments, and statements of special interest to Dominion and provincial officials and agricultural field men were prepared for distribution. A series of advertisements addressed particularly to women was carried in farm papers, an advertisement appeared explaining the livestock situation and the need for greater production, and all daily newspapers carried a request to the public to plant a wartime vegetable garden in 1943.

REPORTS OF ALLIED BOARDS

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BACON BOARD

The third bacon agreement between Canada and the United Kingdom was completed during the autumn of 1941-42. Deliveries of pork products to the British Ministry of Food included 600,013,007 pounds of Wiltshire sides and cuts, at \$118,811,286.; 10,646,923 pounds of pork offals, at \$1,123,452.; 6,007,536 pounds of canned ham and pork loaf at \$1,645,545.; and 452,808 bundles of hog casings at \$568,065.

A fourth agreement, for 675,000,000 pounds of bacon, including not less than 75 per cent Wiltshire sides, was announced on October 2nd, 1942. Although at that date purchases under the 1941-42 contract were some 75 million pounds short of completion, the price of export bacon was immediately raised by the Board approximately \$2.00 per 100 pounds up to the new contract price: effective October 5th, the price paid to packers for top quality Wiltshire sides, Grade A, No. 1, Sizeable, was advanced from \$19.90 to \$21.95 per 100 pounds, Canadian seaboard. This advance was immediately reflected in prices for hogs paid producers.

Demand for pork supplies was unsatisfactory in 1942-43, under the following requirements:

- (a) The increase in contract volume from 425,000,000 to 675,000,000 pounds;
- (b) Increases in requirements within Canada for military purposes, ships' stores, Red Cross, and other wartime demands, civilian included, and
- (c) A marked decline in hog deliveries in the summer of 1942.

As a result, the Bacon Board, to secure the necessary quantities of product for Britain, had to take certain measures. On September 14th, 1942, Bacon Board Order No. 3 further reduced domestic quotas and placed weekly slaughter of exporting plants at 50 per cent of their 1940 average.

Although slaughterings in 1942 were below 1941, the increase in average weights by several pounds per carcass, in part offset the volume deficit. Improved hog prices and abundant supplies of feed grains, resulting in a favourable hog-feed ratio, were prime factors in the increase of market weights. Increase was also encouraged by Bacon Board policy. In December, 1941, the Board had imposed restrictions on the slaughter of lightweight hogs by exporting plants and in March, 1942, the price for 70 to 75 pound Wiltshire sides was increased, automatically removing, as intended, the discount to producers on B3 hog carcass weights. As a result of these influences, the increase in weights which was manifest early in 1942-43 was amplified, until at the close, weights ranged 10 to 15 pounds per carcass above the average of immediate pre-war years.

A licensing system was established by the Board, May 16th, 1941, to embrace all hog slaughterers other than farmers and single store butchers. Slaughter restrictions were extended further by the Wartime Prices and Trade Board on January 1st, 1943, to cover all classes of live stock. This action was designed to prevent "black market" operations and bring meat supplies under closer supervision. On February 27th, 1943, the Bacon Board issued Order No. 4, extending the restrictions with respect to hog slaughter and domestic distribution of pork products, to include slaughterers not formerly licensed, and restricting them to 75 per cent of their 1941 weekly volume.

Seaboard deliveries under the new contract were begun the week ending December 26th, 1942. Up to March 27th, 1943, bacon shipped, stored, or in process of cure under the 1942-43 agreement, totalled 225,000,000 pounds out of the total contract for 675,000,000 pounds. Supplementary agreements were made with the British Ministry of Food for twelve million pounds of frozen livers and two million pounds of frozen kidneys and an unspecified quantity of canned pork and hog casings. Arrangements now obtain to ship 16.8 million pounds of the contract quantity of bacon in the form of fresh frozen Wiltshire sides, with deliveries divided between spring and autumn, 1943.

To meet total export requirements for 1943, a slaughtering goal of 8,000,000 hogs was suggested at the Dominion-Provincial Conference held in Ottawa in December, 1942. This would require an increase of 28 per cent over 1942 marketings, the heaviest increases expected from Western Canada. Although this objective may be difficult to attain, the relatively satisfactory and stable level of hog prices maintained under the last two agreements, together with the good 1942 harvest, promises that hog production in late 1943 will reach the highest levels on record. This, notwithstanding, combined export and domestic demand appears at this time more than ample to absorb whatever supplies are forthcoming during the duration of the war and possibly in the immediate post-war readjustment period when food requirements will be extensive and ramified.

DAIRY PRODUCTS BOARD

The third agreement with the British Ministry of Food, covering shipment of cheese and evaporated milk, terminated with the close of the fiscal year under review.

The 1942-43 cheese agreement provided for the shipment of a minimum of 125,000,000 pounds of Cheddar cheese from the production of the year beginning the 1st of April, 1942. The agreed prices were 20 cents per pound for First Grade, 19½ cents for Second Grade and 19 cents for Third Grade, f.o.b. steamer or railway car, Montreal. Late in the season the Ministry of Food expressed a desire for an additional amount of cheese above the amount specified in the agreement. Consequently, 142,045,385 pounds of cheese, valued at \$28,712,007.58 were shipped to the United Kingdom under the 1942-43 agreement.

The 1942-43 agreement with respect to evaporated milk provided for the shipment of 688,000 cases (48 - 16 ounce tins per case, British standard), from the production of the year beginning the 1st of April, 1942. The price was \$4.45 per case f.o.b. ocean steamer or railway car, Montreal, for milk produced in Ontario and Quebec, and \$4.32½ per case f.o.b. ocean steamer or railway car, Vancouver or New Westminster, for milk produced in British Columbia. The total amount of evaporated milk delivered from Canada under the agreement was 668,402 cases, valued at \$2,907,386.49.

A few of the principal control measures passed during the year under review were as follows: An Order-in-Council was passed under the War Measures Act, effective 1st of June, 1942, reducing the butterfat standard of ice cream to a maximum of 10.5 per cent and a minimum of 9.5 per cent by weight.

An Order of the Board was issued effective as from the 1st of April, 1942, controlling the volume of ice cream and sherbet manufactured in Canada by restricting sales of these products to civilian accounts during any one quarter of the calendar year to the volume sold to such accounts during the corresponding quarter of the previous year. An Order was issued on the 21st January, 1943, with respect to the importation of casein for consumption in Canada or to be placed in bonded warehouse in Canada. Under the latter Order, importers were required to obtain a license from the Dairy Products Board and to obtain a permit for each shipment of casein to be imported.

SPECIAL PRODUCTS BOARD

The Special Products Board was created by Order-in-Council P.C. 2520, on April 15th, 1941. The purpose of the Board as originally set up was to regulate the export to the United Kingdom of any product of Agriculture processed or unprocessed, except bacon or dairy products, pursuant to agreements made between the Government of Canada and the United Kingdom. Its powers, however, were extended by Order-in-Council P.C. 2164 dated March 20th, 1942, to include agreements with any Government or the accredited representative of any Government in the British Empire or of any nation allied with Great Britain in the present war. The Board has quite wide powers to enable it to perform the function for which it was intended.

The work of the Board has been divided into five sections, namely, the Poultry Products Section, Fruit and Vegetable Section, Flax Fibre Section, Field and Vegetable Seeds Section, and Certified Seed Potato Section. A manager has been appointed to direct the work of each Section.

Poultry Products Section

During the year ending March 31st, 1943, 12,861,641 pounds of egg powder were shipped by the Special Products Board to the British Ministry of Food. This quantity included shipments made in part under two contract years.

The chief difference between the 1942 and 1943 contracts with the British Ministry of Food was in the method of payment. In the former, the contract provided for a price for shell eggs plus a conversion charge for turning them into powder. In the latter, the contract is for eggs in dried form, at so much a pound, packed in barrels, f.o.b. seaboard. Supplementary contracts provide for the packaging of the product in 1/4 pound packages suitable for the restaurant trade, and 5 ounce packages suitable for household use.

In all, nine egg breaking plants are in operation in Canada. These are located adjacent to the main producing areas so that a minimum of expense is involved in transporting the shell eggs.

By arrangement with the egg driers, standards of quality for Canadian dried eggs were drawn up and made effective for the 1943 contract and it is required by Board Order that all containers be marked according to these standards. The standards provide for two grades - Grade A and Grade B - and a differential in price was established between the two grades. A method of payment to the driers was also devised whereby a premium is placed on yield.

These two developments were supported by specifications for the breaking out and proper care of the egg meat, and assist greatly in insuring that Canada places not only the highest possible quality product on the British market, but also insures a maximum yield of powder from the high quality shell product used for breaking.

Fruit and Vegetable Section

The following products were delivered on contracts with the British Ministry of Food and were produced from the 1942 crop:

1,186,640 lbs. (3,260 bbls.) of SO₂ Strawberries,
25,889½ doz. No. 12 tins Concentrated Tomato Pulp,
28,798 4-gallon tins of Tomato Puree to be used in packing
herring in tomato sauce,
133,619 cases Evaporated Apples (50 lbs. per case),
3,090 tons of Onions which were to have been shipped
fresh but were dehydrated in Canada,
546,960 lbs. (18,232 cases) dehydrated Potatoes.

All shipments have been made with the exception of further quantities of dehydrated vegetables.

Flax Fibre Section

In accordance with agreements completed in 1942 for the duration of the war between the Board and the Governments of the United Kingdom and United States all spinnable flax fibre produced in Canada is to be purchased by the Board and sold on a fifty-fifty basis, less essential Canadian requirements, to the British Ministry of Supply and the Commodity Credit Corporation, U.S. Department of Agriculture.

The following quantities have been purchased and shipped to the United Kingdom and United States as at March 31st, 1943:

United Kingdom	6,748,365 lbs.	Value	\$ 1,459,579.49
United States	581,230 "	"	241,283.64
Total	7,329,595 "	Total	\$ 1,700,863.13

Due to lack of sufficient boat space a storage warehouse was operated at Montreal by the Board on behalf of the British Ministry of Supply from December, 1942 to March, 1943.

Field and Vegetable Seeds Section

The following quantities of seed were delivered to the United Kingdom in the fiscal year ending March 31st, 1943:

	<u>Amount</u>	<u>Value</u>
Alfalfa	180,120 lbs.	\$ 73,769.66
Corn (Compton's Early)	400 bus.	1,240.00
Flax (Bison, Royal)	150 "	480.00

Upon order of the British Ministry of Food the following vegetable seed production was contracted for with producers to be delivered from the 1943 crop:

Beet	20,000 lbs.	\$ 12,000.00
Carrot	72,000 lbs.	51,360.00
Cabbage	3,000 "	6,000.00
Onion	65,400 "	147,150.00
Lettuce	3,000 "	2,400.00

Contracts were arranged with growers on biennial crops for seed to be delivered from the 1944 crop as follows:

Beet	57,500 lbs.	\$ 34,500.00
Carrot	134,000 "	150,650.00
Cabbage	8,625 "	17,250.00
Leek	8,625 "	23,718.75
Onion	223,100 "	522,100.00

Certified Seed Potato Section

Order-in-Council establishing regulations governing the exportation of certified seed potatoes was made applicable in and to the Province of New Brunswick, effective August 31st, 1942. This was the only Province in which the regulations were made to apply for the year ended March 31st, 1943.

Shipments of certified seed potatoes by the Board, on a shippers quota basis, totalled 98,267 bushels. These were sold to the Government of Uruguay for the sum of \$161,964.55 which amount was distributed in full to the shippers concerned through official Board channels.

Board prices were established and were changed from time to time as the season advanced and conditions warranted. Shipments totalling 31,612 bushels were made by shippers to Venezuela at approved Board prices, on long term credits advanced by the shippers concerned. Assistance was rendered the shippers in securing cargo space and export permits. Lack of cargo space prohibited business offered from Argentina and South Africa.

